

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6310**

**BILL NUMBER: SB 80**

**NOTE PREPARED: Dec 5, 2002**

**BILL AMENDED:**

**SUBJECT:** Property tax appeals.

**FIRST AUTHOR:** Sen. Mrvan

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill provides that if the county auditor determines in an appeal of a property assessment that the assessed value of the items appealed constitutes at least 1% of a taxing unit's total assessed value for the preceding year: (1) the county auditor must provide certain notices to the affected taxing unit; and (2) the affected taxing unit may participate in the appeal process.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** *Notifications by the Indiana Board of Tax Review:* Under current law, the Indiana Board of Tax Review (IBTR) must mail a notice of an IBTR hearing to the taxpayer, township assessor, county assessor, and county auditor. The notice must include the date of the hearing. This bill would require the notice to also include the disputed item's previous year's assessed value, the action taken by the county property tax board of appeals, and a statement that a taxing unit in which the appealed AV constitutes at least 1% of the units' gross certified AV from the preceding year (affected taxing unit) may attend the hearing. In addition, the IBTR would also be required to include a copy of the petition requesting review in the mailings. The IBTR would have to send notice of its final determination to the affected taxing units.

This proposal would increase notice preparation and mailing costs by a minimal amount that would be absorbed in the IBTR's current budget.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Notifications by County Assessors and County Auditors:* Currently,

the county assessor notifies the county auditor of all assessments under appeal. Under this proposal, the assessor would be required to make these notifications by mail and would be required to include the appellant's name, address, current year AV, and prior year AV. This bill would also require the county auditor to send to any affected units a copy of the notification that is sent to the county auditor and IBTR.

Preparation and mailing of these notices could increase county assessor and county auditor costs. County auditor and county assessor offices are funded through the county General Fund. Any additional costs would be paid for with existing resources.

*Notifications by County Property Tax Assessment Boards of Appeals and County Auditors:* Under current law, if there are still items left unresolved after the township assessor's preliminary conference then the county property tax assessment board of appeals must hold a hearing within 90 days of the petition's filing. The county property tax assessment board of appeals is currently required to give notice of the hearing date by mail to the taxpayer and to the township assessor. This bill would also require notices to be sent to the county assessor and county auditor. All notices would have to contain the current year AV and prior year AV of the disputed items.

The county auditor would be required to forward a copy of the notice to any affected taxing unit. The notice from the county property tax assessment board of appeals would also have to state that the affected taxing unit may attend the hearing.

After the hearing, the county property tax assessment board of appeals is currently required to send notice of its determination to the taxpayer, the county assessor, and the township assessor. This bill also requires that the notice of determination be sent to the county auditor, IBTR, and any affected taxing unit.

Preparation and mailing of these notices could increase county property tax assessment board of appeals costs and county auditor costs.

*Appeals to the Indiana Tax Court by Affected Units:* The proposal allows an affected taxing unit to request that the county executive initiate an appeal. The bill requires an affected taxing unit that requests an appeal to the Tax Court to pay for the appeal. This provision could increase the number of appeals to the Tax Court that are initiated by the counties. Appeals initiated by local units would increase local costs.

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Board of Tax Review.

**Local Agencies Affected:** County assessors; County auditors; County property tax assessment boards of appeals.

**Information Sources:** Bill Waltz, Indiana Board of Tax Review, (232-3786).

**Fiscal Analyst:** Bob Sigalow, 232-9859